

## EXECUTIVE SUMMARY ECONOMIC DEVELOPMENT APPROPRIATIONS ACT

## HOUSE FILE 718

### MAJOR INCREASES, DECREASES, OR TRANSFERS OF EXISTING PROGRAMS

- **Department of Economic Development:** Appropriates a total of \$21.7 million from the General Fund and 221.8 FTE positions to the Department of Economic Development, a decrease of \$122,000 and an increase of 1.8 FTE positions compared to the FY 2001 estimated net appropriation. The Act also appropriates \$5.9 million from other funds to the Department, a decrease of \$2.8 million compared to the FY 2001 estimated net appropriation. Major changes include:
  - An increase of \$2.3 million and 1.0 FTE position for programs within the Business Development Division. (Page 1, Line 35 through Page 4, Line 3)
  - A decrease of \$658,000 and 2.0 FTE positions for programs within the Community and Rural Development Division. (Page 4, Line 5 through Page 5, Line 20)
  - A decrease of \$240,000 and no change in FTE positions for programs within the International Division. (Page 5, Line 22 through Page 6, Line 24)
  - A decrease of \$1.4 million and an increase of 1.0 FTE position for advertising and operations in the Tourism Division. (Page 6, Line 26)
- Major changes in other funds include:
  - Appropriates \$1.2 million from the FY 2002 Community Attraction and Tourism Fund to partially offset the General Fund reduction to the tourism advertising budget. (Page 13, Line 34)
  - Appropriates \$500,000 and 2.0 FTE positions from the Iowa Finance Authority to the Department of Economic Development for housing development assistance programs to offset a corresponding decrease in the General Fund. (Page 14, Line 8) *This item was vetoed by the Governor.*
- **Board of Regents:** Appropriates a total of \$7.2 million from the General Fund and 73.5 FTE positions to Board of Regents institutions, a decrease of \$458,000 and 0.6 FTE positions compared to the FY 2001 estimated net appropriation. (Page 8, Line 14 through Page 10, Line 26)
- **Iowa Workforce Development:** Appropriates a total of \$5.9 million from the General Fund and 128.0 FTE positions to the Iowa Workforce Development, a decrease of \$746,000 and 0.3 FTE position compared to the FY 2001 estimated net appropriation. The Act also appropriates \$4.7 million from other funds to the Department, a decrease of \$4.0 million compared to the FY 2001 estimated net appropriation. The major changes include:
  - A decrease of \$210,000 and no change in FTE positions for the Labor Division. (Page 10, Line 33)

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## MAJOR INCREASES, DECREASES, OR TRANSFERS OF EXISTING PROGRAMS (CONTINUED)

- A decrease of \$143,000 and no change in FTE positions for the Workers' Compensation Division. (Page 11, Line 8)
- No funding for the Welfare-to-Work Program. This is a decrease in general funds of \$153,000. No funding was requested or recommended because the program will end in FY 2003, and the funds already appropriated should be enough to meet client needs.
- A decrease of \$249,000 and no change in FTE positions for the New Employment Opportunity Fund. This amount will be carried forward from the FY 2001 appropriation. With an FY 2002 appropriation of \$251,000, the total amount available in FY 2002 will be approximately \$500,000, which maintains the current level of funding. (Page 11, Line 27)
- Major changes in other funds include:
  - A funding source transfer of \$30,000 from the General Fund to Job Training Funds for phase-out funding of existing labor management projects. This is a decrease of \$40,000 and 0.25 FTE positions compared to the FY 2001 estimated net appropriation. (Page 7, Line 12)
  - A funding source transfer of \$67,000 from the General Fund for Employment Statistics to funding from the Penalty and Interest Fund. (Page 12, Line 32)
- **Public Employment Relations Board:** Appropriates \$857,000 from the General Fund and 12.8 FTE positions to the Public Employment Relations Board, a decrease of \$55,000 and an increase of 0.8 FTE position compared to the FY 2001 estimated net appropriation. (Page 13, Line 24)
- Notwithstands Section 16.10(1 and 2) to transfer \$1.2 million from the Iowa Finance Authority to DED for housing programs. (Page 14, Line 20) *This item was vetoed by the Governor.*
- Amends Chapter 1225.27, 1998 Iowa Acts, to require liquidation of the Iowa Seed Capital Corporation to be completed by December 31, 2001. (Page 14, Line 26)
- Amends various sections of the 1999 and 2000 Iowa Acts to allow funds to not revert and carry forward for Iowa Workforce Development Programs. (Page 14, Line 35 through Page 16, Line 27)

## SIGNIFICANT CHANGES TO THE CODE OF IOWA

# EXECUTIVE SUMMARY ECONOMIC DEVELOPMENT APPROPRIATIONS ACT

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## SIGNIFICANT CHANGES TO THE CODE OF IOWA (CONTINUED)

- Amends Sections 15.342A and 15.343(3)(b) to reduce the cap on the Workforce Development Fund Account from \$8.0 million to \$4.0 million and specifies an allocation of \$3.0 million to community colleges for business training programs and \$1.0 million for the High Technology Apprenticeship Program. The reduction in income tax diversions will result in a decrease in funds for workforce training programs at the DED and the community colleges. The General Fund will receive an increase of \$4.0 million in revenues. (Page 7, Line 27; Page 16, Line 28 through Page 17, Line 10; and Page 18, Line 23)
- Amends Section 90A.12(1) to strike the maximum age limitation for amateur boxers and requires boxing contestants to meet the requirements of the USA Boxing Incorporated or its successor. (Page 17, Line 11)
- Amends Section 260F.6(3) to permit community colleges to use the Workforce Development Fund allocation for entrepreneur development and support activities. (Page 17, Line 22)
- Amends Section 321.52A(2) to eliminate the transfer of \$3.0 million from the Waste Tire Management Fund to the Road Use Tax Fund and instead deposits the money into the General Fund. Of these funds, \$2.9 million is appropriated for the Value-Added Agricultural Products and Processes Financial Assistance Fund. (Page 17, Line 28)

## STUDIES AND INTENT LANGUAGE

- Requires the DED to explore allocating Shelter Assistance Funds to homeless shelters based in part on the shelter's ability to move clients toward self-sufficiency. (Page 19, Line 11)
- Requires the Departments of Economic Development and Workforce Development to submit FY 2003 budgets in the traditional and Budgeting for Results formats. (Page 19, Line 18)
- Requires the Iowa Seed Capital Liquidation Corporation to report to the Chairpersons and Ranking members on the Corporation's financial status by December 31, 2001. (Page 19, Line 23)

## EFFECTIVE DATE

- Specifies the following sections are effective upon enactment. (Page 20, Line 15)
  - Section 17 relating to the Welfare to Work Program.
  - Section 18 relating to the New Employment Opportunity Fund.
  - Section 19 relating to the Administration Contribution Surcharge Fund.
  - Section 20 relating to the Immigration Service Centers.

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## GOVERNOR'S VETOES

- The Governor vetoed three items. These are:
  - A portion of Section 11.3 which prohibited the Iowa Workforce Development from allocating additional Penalty and Interest revenue prior to January 30, 2002. The Department is permitted to use additional Penalty and Interest Revenues after providing the required notifications. The Governor stated that he had vetoed the requirement last year and that it is unduly prescriptive, usurps normal executive branch functions, and could hamper administration of the funds. (Page 13, Line 17)
  - Sections 14, which appropriates \$500,000 from the Iowa Finance Authority for housing programs, and Section 15, which transfers \$1.2 million from the Iowa Finance Authority funds for the housing programs. The Governor stated that it poses a financial risk for the Authority through lower bond ratings and increased costs for first-time homebuyers financed by the programs. (Page 14, Line 8 and Page 14, Line 20)

## ENACTMENT DATE

- The Act was approved by the General Assembly on May 1, 2001, and item vetoed and signed by the Governor on May 30, 2001.

House File 718

House File 718 provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section	Description
3	31	1.2(e)	Nwthstnds	15E.111	Ag-Based Industrial Lubrication Center Funding
4	18	1.3(b)	Nwthstnds	8.33	Mainstreet Program Nonreversion
5	7	1.3(c)	Nwthstnds	8.33	Rural Community 2000 Rural Development Program Nonreversion
6	13	1.4(b)	Nwthstnds	8.33	Export Trade Assist. Prog. Nonreversion
7	5	2	Nwthstnds	15E.120(5, 6 and 7) and 15.287	Community Development Loan Fund
7	12	3	Nwthstnd	15.251(2)	Job Training Fund (260E) Administrative Fee
9	18	6.3	Nwthstnds	8.33	Iowa State University Nonreversion
11	34	9.4	Nwthstnds	8.33	Nonreversion of New Employment Opportunity Fund
12	4	10	Nwthstnds	96.7(12)(c)	IWD Administrative Contribution Surcharge Fund
14	20	15	Nwthstnds	16.10(1 and 2)	Iowa Finance Authority Funds Transfer for Housing Programs
14	26	16	Amends	Chapter 1225, Section 27, 1998 Iowa Acts	Iowa Seed Capital Corporation Liquidation
14	35	17	Amends	Chapter 197, Section 9(2), 1999 Iowa Acts	Nonreversion of Federal Welfare-to-Work Match
15	9	18	Amends	Chapter 1230, Section 10(7), 2000 Iowa Acts	Nonreversion of New Employment Opportunity Fund
15	23	19	Amends	Chapter 1230, Section 11, 2000 Iowa Acts	Nonreversion of Administration Contribution Surcharge Fund
16	2	20	Amends	Chapter 1230, Section 12(2), 2000 Iowa Acts	Nonreversion of Immigration Service Centers Appropriation
16	28	21	Amends	15.342A	Workforce Development Fund Cap
17	2	22	Amends	15.343(3)(b)	Workforce Development Fund Allocation
17	11	23	Amends	90A.12(1)	Amateur Boxing Age Limitation
17	22	24	Adds	260F.6(3)	Entrepreneur Development

Page #	Line #	Bill Section	Action	Code Section	Description
17	28	25	Amends	321.52A(2)	Waste Tire Management Fund
18	23	26	Amends	422.16A	Workforce Development Fund Account
20	1	31	Nwthstnds	96.9(4)(a)	Social Security Act Expenditures Allowed
20	9	32	In Lieu	15.365(3)	School-to-Career Program

1 1 Section 1. DEPARTMENT OF ECONOMIC DEVELOPMENT. There is  
 1 2 appropriated from the general fund of the state and other  
 1 3 designated funds to the department of economic development for  
 1 4 the fiscal year beginning July 1, 2001, and ending June 30,  
 1 5 2002, the following amounts, or so much thereof as is  
 1 6 necessary, to be used for the purposes designated:

1 7 1. ADMINISTRATIVE SERVICES DIVISION

1 8 a. General administration

1 9 For salaries, support, maintenance, miscellaneous purposes,  
 1 10 for allocating \$285,000 to the world food prize, and for  
 1 11 providing that a business receiving moneys from the department  
 1 12 for the purpose of job creation shall make available ten  
 1 13 percent of the new jobs created for promise jobs program  
 1 14 participants who are qualified for the jobs created, and for  
 1 15 not more than the following full-time equivalent positions:

1 16 ..... \$ 1,699,126  
 1 17 ..... FTEs 25.75

General Fund appropriation for the Administrative Division of the Department of Economic Development (DED). Specifies a \$285,000 allocation to the World Food Prize.

DETAIL: This is a decrease of \$56,540 and no change in FTE positions compared to the FY 2001 estimated net appropriation due to a general reduction. The World Food Prize received an increase of \$35,000 compared to the FY 2001 allocation.

Requires businesses receiving funding from the DED for the purpose of job creation to make 10.00% of the positions available to Promise Jobs Program participants if the participants are qualified for the job openings.

1 18 Of the moneys allocated for the world food prize, \$50,000  
 1 19 shall be allocated for purposes of the world food prize youth  
 1 20 institute.

Requires \$50,000 of the funds allocated to the World Food Prize be used for the World Food Prize Youth Institute.

1 21 b. Film office

1 22 For salaries, support, maintenance, miscellaneous purposes,  
 1 23 and for not more than the following full-time equivalent  
 1 24 positions:

1 25 ..... \$ 245,003  
 1 26 ..... FTEs 2.00

General Fund appropriation for the Film Office of the DED.

DETAIL: This is a decrease of \$15,638 and no change in FTE positions compared to the FY 2001 estimated net appropriation due to a general reduction.

1 27 c. Iowa commission on volunteerism

1 28 For transferring to the Iowa state commission grant program

General Fund appropriation for the Iowa Commission on Volunteerism.

1 29 to be used as matching funds for salaries, support,  
 1 30 maintenance, and miscellaneous purposes, and for not more than  
 1 31 the following full-time equivalent positions:  
 1 32 ..... \$ 75,200  
 1 33 ..... FTEs 3.25

DETAIL: This is a decrease of \$4,800 and 0.20 FTE position compared to the FY 2001 estimated net appropriation due to a general reduction.

1 34 2. BUSINESS DEVELOPMENT DIVISION

1 35 a. Business development operations  
 2 1 For salaries, support, maintenance, miscellaneous purposes,  
 2 2 and for not more than the following full-time equivalent  
 2 3 positions:  
 2 4 ..... \$ 4,437,342  
 2 5 .....FTEs 27.75

General Fund appropriation for Business Development Operations of the DED.

DETAIL: This is a decrease of \$336,426 and no change in FTE positions compared to the FY 2001 estimated net appropriation due to a general reduction.

2 6 Of the amount appropriated in this paragraph "a", \$400,000  
 2 7 shall be allocated to support activities in conjunction with  
 2 8 the Iowa manufacturing technology center, and \$94,000 shall be  
 2 9 allocated to the graphic arts center.

Specifies \$400,000 of the amount appropriated to Business Development Operations shall be allocated to the Iowa Manufacturing Technology Center and \$94,000 shall be allocated to the Graphic Arts Center.

DETAIL: These are decreases of \$272,000 for the Iowa Manufacturing Technology Center and \$6,000 for the Graphic Arts Center, compared to the estimated net FY 2001 allocation due to general reductions.

2 10 The department shall consult and work with the small  
 2 11 business development centers in an effort to eliminate any  
 2 12 duplication of services provided by the department and the  
 2 13 small business development centers and to determine how to  
 2 14 deliver services to small businesses in the state in the most  
 2 15 efficient manner.

Requires the DED to consult and work with the Small Business Development Centers in an effort to eliminate duplication of services and to determine how to deliver services to small businesses in the most efficient manner.

2 16 For the fiscal year beginning July 1, 2001, and ending June  
 2 17 30, 2002, the department shall allocate \$94,000 from the  
 2 18 moneys appropriated under this subsection for the federal

Requires the allocation of \$94,000 for the Federal Procurement Office.



2 19 procurement office.

DETAIL: This is a decrease of \$6,000 compared to the FY 2001 estimated net allocation due to a general reduction.

2 20 b. Workforce recruitment initiative  
 2 21 For workforce recruitment initiative purposes, including  
 2 22 salaries, support, maintenance, miscellaneous purposes, and  
 2 23 for not more than the following full-time equivalent  
 2 24 positions:  
 2 25 ..... \$ 377,156  
 2 26 ..... FTEs 2.00

General Fund appropriation for the Workforce Recruitment Initiative.

DETAIL: This is a decrease of \$24,074 and no change in FTE positions compared to the FY 2001 estimated net appropriation due to a general reduction.

2 27 c. Strategic investment fund  
 2 28 For deposit in the Iowa strategic investment fund for  
 2 29 salaries, support, and for not more than the following full-  
 2 30 time equivalent positions:  
 2 31 ..... \$ 3,503,826  
 2 32 ..... FTEs 12.50

General Fund appropriation for the Strategic Investment Fund of the DED.

DETAIL: This is a decrease of \$223,648 and no change in FTE positions compared to the FY 2001 estimated net appropriation due to a general reduction.

The Value-Added Agricultural Products and Financial Assistance Program received a transfer of \$3,000,000 from the Strategic Investment Fund in FY 2001. The Program is funded with a General Fund appropriation in FY 2002 in Section 1.2(e) of this Act. The net effect is an increase in General Fund monies for the Strategic Investment Fund of \$2,776,352 compared to the FY 2001 estimated net appropriation.

2 33 The department may allocate from the Iowa strategic  
 2 34 investment fund up to \$90,240 for the microbusiness rural  
 2 35 enterprise assistance program under section 15.114.

Permits the DED to allocate up to \$90,240 from the Strategic Investment Fund to the Microbusiness Rural Enterprise Assistance Program.

DETAIL: The Microbusiness Program is authorized under Section 15.114, Code of Iowa. This is a reduction of \$5,760 compared to the FY 2001 estimated net allocation due to a general reduction.

3 1 By January 14, 2002, the department shall submit a written  
3 2 report to the members of the joint appropriations subcommittee  
3 3 on economic development and the legislative fiscal bureau on  
3 4 the progress made by the department in making the community  
3 5 economic betterment program a self-sustaining, revolving loan  
3 6 program. The report shall include information regarding the  
3 7 department's progress in making the community economic  
3 8 betterment program self-sufficient and projections and plans  
3 9 for continuing to make the program self-sufficient over the  
3 10 subsequent five years.

Requires the Department to provide a report to the members of the Economic Development Appropriations Subcommittee and the Legislative Fiscal Bureau on the progress toward making the Community Economic Betterment Account (CEBA) self-sustaining. The report is due by January 14, 2002.

3 11 d. Insurance economic development  
3 12 There is appropriated from moneys collected by the division  
3 13 of insurance in excess of the anticipated gross revenues under  
3 14 section 505.7, subsection 3, to the department for the fiscal  
3 15 year beginning July 1, 2001, and ending June 30, 2002, the  
3 16 following amount, or so much thereof as is necessary, for  
3 17 insurance economic development and international insurance  
3 18 economic development:  
3 19 ..... \$ 100,000

Insurance receipts appropriation to the DED for insurance economic development.

DETAIL: Maintains current level of funding. Funds collected by the Insurance Division of the Department of Commerce in excess of the anticipated gross revenues pursuant to Section 505.7(3), Code of Iowa, are allocated to the DED for insurance economic development purposes.

3 20 e. Value-added agriculture  
3 21 For deposit in the value-added agricultural products and  
3 22 processes financial assistance fund:  
3 23 ..... \$ 2,850,000

General Fund appropriation for the Value-Added Agricultural Products and Processes Financial Assistance Fund of the DED.

DETAIL: This is a new General Fund appropriation. In FY 2001, \$3,000,000 was allocated for this Program from the Strategic Investment Fund. This is a decrease of \$150,000 compared to the FY 2001 allocation due to a general reduction.

3 24 There is appropriated from the moneys available to support  
3 25 value-added agricultural products and processes, 6 percent, or  
3 26 so much thereof as is necessary, for administration of the  
3 27 value-added agricultural products and processes financial  
3 28 assistance program as provided in section 15E.111, including  
3 29 salaries, support, maintenance, miscellaneous purposes, and

Provides a statutory appropriation of up to 6.00% of the funds available to the Value-Added Agricultural Products and Processes (VAAPP) Fund and up to 3.00 FTE positions for salaries and other administrative purposes.

DETAIL: This is an increase of 1.00 FTE position compared to the FY 2001 estimated net appropriation.

3 30 for not more than 3.00 FTEs.

3 31 The department shall collaborate with the university of  
 3 32 northern Iowa on a strategic initiative to develop ag-based  
 3 33 industrial lubrication technology and to create projects to  
 3 34 deploy the technology in commercial applications.  
 3 35 Notwithstanding the requirements of section 15E.111 and the  
 4 1 administrative rules for value-added agricultural products and  
 4 2 processes, the department shall allocate \$258,500 for this  
 4 3 initiative.

CODE: Notwithstands Section 15E.111, Code of Iowa, relating to allocation of moneys in the Value-Added Agricultural Products and Processes Fund.

Requires the allocation of \$258,500 from the Fund to the Ag-Based Industrial Lubrication Center. Requires that the DED collaborate with the University of Northern Iowa on efforts to assist with the development of ag-based industrial lubricants.

DETAIL: This is a decrease of \$16,500 compared to the FY 2001 estimated net allocation due to a general reduction.

#### 4 4 3. COMMUNITY DEVELOPMENT DIVISION

4 5 a. Community assistance  
 4 6 For salaries, support, maintenance, miscellaneous purposes,  
 4 7 and for not more than the following full-time equivalent  
 4 8 positions for administration of the community economic  
 4 9 preparedness program, the Iowa community betterment program,  
 4 10 and the city development board:  
 4 11 ..... \$ 772,516  
 4 12 ..... FTEs 10.50

General Fund appropriation for community assistance programs of the DED.

DETAIL: This is a decrease of \$49,309 and no change in FTE positions compared to the FY 2001 estimated net appropriation due to a general reduction.

4 13 b. Main street/rural main street program  
 4 14 For salaries and support, and for not more than the  
 4 15 following full-time equivalent positions:  
 4 16 ..... \$ 409,161  
 4 17 ..... FTEs 3.00

General Fund appropriation for the Mainstreet/Rural Mainstreet Program of the DED.

DETAIL: This is a decrease of \$26,117 and no change in FTE positions compared to the FY 2001 estimated net appropriation due to a general reduction.

4 18 Notwithstanding section 8.33, moneys committed to grantees  
 4 19 under contract from the general fund of the state that remain  
 4 20 unexpended on June 30, 2002, shall not revert to any fund but

CODE: Notwithstands Section 8.33, Code of Iowa, to require funds committed to grants under contract for the Mainstreet Program not revert but remain available to fulfill the purposes of the contract during FY 2003.

4 21 shall remain available for expenditure for purposes of the  
 4 22 contract during the fiscal year beginning July 1, 2002.

4 23 c. Community development program  
 4 24 For salaries, support, maintenance, miscellaneous purposes,  
 4 25 and for not more than the following full-time equivalent  
 4 26 positions, for rural resource coordination, rural community  
 4 27 leadership, rural innovations grant program, and the rural  
 4 28 enterprise fund:  
 4 29 ..... \$ 853,284  
 4 30 ..... FTEs 7.50

General Fund appropriation for the Community Development Program of the DED.

DETAIL: This is a decrease of \$57,070 and no change in FTE positions compared to the FY 2001 estimated net appropriation. The change includes:

1. A decrease of \$80,000 for fewer community-level projects focusing on leadership development, diversity training, and planning.
2. A decrease of \$27,070 to eliminate funding for a contract position.
3. A general increase of \$50,000.

4 31 There is appropriated from the rural community 2000 program  
 4 32 revolving fund established in section 15.287 to provide to  
 4 33 Iowa's councils of governments funds for planning and  
 4 34 technical assistance to local governments:  
 4 35 ..... \$ 150,000

Rural Community 2000 Fund appropriation to be distributed to Iowa's Councils of Governments to provide planning and technical assistance to local governments.

DETAIL: Maintains current level of funding.

5 1 There is appropriated from the rural community 2000 program  
 5 2 revolving fund established in section 15.287 to the rural  
 5 3 development program for the purposes of the program including  
 5 4 the rural enterprise fund and collaborative skills development  
 5 5 training:  
 5 6 ..... \$ 370,000

Rural Community 2000 Fund appropriation to the Rural Development Program.

DETAIL: Maintains current level of funding. The Rural Community 2000 Fund appropriation in this paragraph to the Rural Development Program and the General Fund appropriation to the Community Development Program (Section 1.3(c) of this Act) are combined to fund the same Program.

5 7 Notwithstanding section 8.33, moneys committed to grantees  
 5 8 under contract from the general fund of the state or through  
 5 9 transfers from the Iowa community development loan fund or  
 5 10 from the rural community 2000 program revolving fund that  
 5 11 remain unexpended on June 30, 2002, shall not revert but shall

CODE: Notwithstands Section 8.33, Code of Iowa, to require funds committed to grants under contract for the Rural Development Program not revert but remain available to fulfill the purposes of the contract during FY 2002.

5 12 be available for expenditure for purposes of the contract  
 5 13 during the fiscal year beginning July 1, 2002.

5 14 d. Community development block grant and HOME  
 5 15 For administration and related federal housing and urban  
 5 16 development grant administration for salaries, support,  
 5 17 maintenance, miscellaneous purposes, and for not more than the  
 5 18 following full-time equivalent positions:  
 5 19 ..... \$ 396,035  
 5 20 ..... FTEs 21.75

General Fund appropriation for the Community Development Block Grant (CDBG) Program and the Home Investment Partnership (HOME) Program.

DETAIL: This is a decrease of \$25,279 and no change in FTE positions compared to the FY 2001 estimated net appropriation due to a general reduction.

#### 5 21 4. INTERNATIONAL DIVISION

5 22 a. International trade operations  
 5 23 For salaries, support, maintenance, miscellaneous purposes,  
 5 24 for support of foreign representation and trade offices, and  
 5 25 the agricultural product advisory council, and for not more  
 5 26 than the following full-time equivalent positions:  
 5 27 ..... \$ 2,190,893  
 5 28 ..... FTEs 14.25

General Fund appropriation for International Trade Operations of the DED.

DETAIL: This is a decrease of \$139,844 and no change in FTE positions compared to the FY 2001 estimated net appropriation due to a general reduction.

5 29 Of the moneys appropriated in this lettered paragraph,  
 5 30 \$235,000 shall be allocated to support the taste of Iowa  
 5 31 program.

Requires an allocation of \$235,000 for the Taste of Iowa Program. This is a decrease of \$15,000 compared to the FY 2001 estimated net allocation due to a general reduction.

5 32 From among the full-time equivalent positions authorized by  
 5 33 this lettered paragraph, one position shall concentrate on the  
 5 34 export sale of grain, one on the export sale of livestock, and  
 5 35 one on the export sale of value-added agricultural products.

Requires the DED to allocate 1.00 FTE position each to the export of grain, livestock, and value-added agriculture.

6 1 b. Export trade assistance program  
 6 2 For export trade activities, including a program to  
 6 3 encourage and increase participation in trade shows and trade  
 6 4 missions by providing financial assistance to businesses for a  
 6 5 percentage of their costs of participating in trade shows and  
 6 6 trade missions, by providing for the lease/sublease of

General Fund appropriation to the DED for the Export Trade Assistance Program (ETAP).

DETAIL: This is a decrease of \$100,000 compared to the FY 2001 estimated net appropriation due to a general reduction. The change will result in five to twelve fewer projects being funded.

6 7 showcase space in existing world trade centers, by providing  
 6 8 temporary office space for foreign buyers, international  
 6 9 prospects, and potential reverse investors, and by providing  
 6 10 other promotional and assistance activities, including  
 6 11 salaries and support:  
 6 12 ..... \$ 308,000

6 13 Notwithstanding section 8.33, moneys appropriated in this  
 6 14 lettered paragraph that remain unencumbered or unobligated at  
 6 15 the close of the fiscal year shall not revert but shall remain  
 6 16 available for expenditure for the purposes designated until  
 6 17 the close of the succeeding fiscal year.

6 18 c. For the partner state program to contract with private  
 6 19 groups or organizations which are the most appropriate to  
 6 20 administer this program and the groups and organizations  
 6 21 participating in the program shall, to the fullest extent  
 6 22 possible, provide the funds to match the appropriation made in  
 6 23 this paragraph:  
 6 24 ..... \$ 120,000

6 25 5. TOURISM DIVISION

6 26 Tourism operations and advertising  
 6 27 For salaries, support, maintenance, miscellaneous purposes,  
 6 28 and for not more than the following full-time equivalent  
 6 29 positions:  
 6 30 ..... \$ 3,470,123  
 6 31 ..... FTEs 19.52

CODE: Notwithstands Section 8.33, Code of Iowa, to require funds remaining unencumbered at the end of FY 2002 for the Export Trade Assistance Program not revert but remain available for the Program during FY 2003.

General Fund appropriation for the Partner State Program.

Requires private groups participating in the Program to match the State funding to the fullest extent possible. Allows the DED to contract with private groups or organizations to administer the Program.

DETAIL: Maintains current level of funding.

General Fund appropriation to the DED for Tourism Operations and Advertising.

DETAIL: This is a decrease of \$1,448,093 and an increase of 1.00 FTE position compared to the FY 2001 estimated net appropriation. The change includes:

1. A decrease of \$1,465,000 in funding for advertising. (Section 13 of this Act appropriates \$1,200,000 from the Community Attraction and Tourism Fund to the DED for advertising and related purposes.)
2. A decrease of \$33,093 from closing the Waukee and Victor Welcome Centers.

3. An increase of 1.00 FTE position to shift staffing for the Vision Iowa Program to the General Fund.
4. A general increase of \$50,000.

6 32 The department shall not use the moneys appropriated in  
 6 33 this subsection, unless the department develops public-private  
 6 34 partnerships with Iowa businesses in the tourism industry,  
 6 35 Iowa tour groups, Iowa tourism organizations, and political  
 7 1 subdivisions in this state to assist in the development of  
 7 2 advertising efforts. The department shall, to the fullest  
 7 3 extent possible, develop cooperative efforts for advertising  
 7 4 with contributions from other sources.

Prohibits the DED from expending tourism funds unless public-private partnerships with Iowa tourism-related businesses and political subdivisions are developed. Also requires the DED to develop cooperative advertising efforts with contributions from other sources.

7 5 Sec. 2. COMMUNITY DEVELOPMENT LOAN FUND. Notwithstanding  
 7 6 section 15E.120, subsections 5, 6, and 7, and section 15.287,  
 7 7 there is appropriated from the Iowa community development loan  
 7 8 fund all the moneys available during the fiscal year beginning  
 7 9 July 1, 2001, and ending June 30, 2002, to the department of  
 7 10 economic development for the community development program to  
 7 11 be used by the department for the purposes of the program.

CODE: Notwithstands Section 15E.120(5, 6 and 7) and Section 15.287, Code of Iowa, and appropriates all receipts from the Iowa Community Development Loan Fund to the Community Development Program.

DETAIL: The DED estimates \$50,000 will be available for transfer to the Community Development Program, which is no change compared to the FY 2001 estimated net transfer.

7 12 Sec. 3. JOB TRAINING FUND. Notwithstanding section  
 7 13 15.251, subsection 2, there is appropriated from the job  
 7 14 training fund to the department of workforce development for  
 7 15 the fiscal year beginning July 1, 2001, and ending June 30,  
 7 16 2002, the following amount, or so much thereof as is  
 7 17 necessary, to be used for the purpose designated:  
 7 18 1. To provide final phase-out funding for existing labor  
 7 19 management projects:  
 7 20 ..... \$ 30,000

Job Training Fund (260E) appropriation to Iowa Workforce Development for labor management projects.

CODE: Notwithstands Section 15.251(2), Code of Iowa, which allows the DED to charge a 1.00% fee for administration of the Job Training Fund.

DETAIL: This \$30,000 from the Job Training Fund previously was appropriated to the Target Alliance. The appropriation to labor management was previously made from the General Fund. This appropriation is a decrease of \$39,652 and 0.25 FTE positions compared to the FY 2001 estimated net appropriation, and is to provide phase-out of the projects.

7 21 2. After the appropriation in subsection 1 relating to  
 7 22 labor management projects, all remaining moneys in the job  
 7 23 training fund, including any moneys appropriated or credited  
 7 24 to the fund during the fiscal year, shall be transferred to  
 7 25 the workforce development fund established pursuant to section  
 7 26 15.343.

Transfers all Job Training Fund revenues, after the first \$30,000 is appropriated for Labor Management Projects, to the DED's Workforce Development Fund.

7 27 Sec. 4. WORKFORCE DEVELOPMENT FUND. There is appropriated  
 7 28 from the workforce development fund account created in section  
 7 29 15.342A, to the workforce development fund created in section  
 7 30 15.343, for the fiscal year beginning July 1, 2001, and ending  
 7 31 June 30, 2002, the following amount, for the purposes of the  
 7 32 workforce development fund, and for not more than the  
 7 33 following full-time equivalent positions:  
 7 34 ..... \$ 4,000,000  
 7 35 ..... FTEs 4.00

Workforce Development Fund Account appropriation to the DED's Workforce Development Fund Program.

DETAIL: This is a decrease of \$4,000,000 and no change in FTE positions compared to the FY 2001 estimated net appropriation. Approximately \$4,000,000 in income withholding taxes will no longer be diverted to this Fund and will instead be deposited into the General Fund.

8 1 Sec. 5. From funds appropriated or transferred to or  
 8 2 receipts credited to the workforce development fund created in  
 8 3 section 15.343, up to \$400,000 for the fiscal year beginning  
 8 4 July 1, 2001, and ending June 30, 2002, may be used for the  
 8 5 administration of workforce development activities including  
 8 6 salaries, support, maintenance, and miscellaneous purposes and  
 8 7 for not more than 4.00 FTEs.

Allows the DED to use up to \$400,000 of the funds available in the Workforce Development Fund for administration and support of no more than 4.00 FTE positions.

8 8 Sec. 6. IOWA STATE UNIVERSITY. There is appropriated from  
 8 9 the general fund of the state to the Iowa state university of  
 8 10 science and technology for the fiscal year beginning July 1,  
 8 11 2001, and ending June 30, 2002, the following amounts, or so  
 8 12 much thereof as is necessary, to be used for the purposes  
 8 13 designated:

8 14 1. For funding and maintaining in their current locations  
 8 15 the existing small business development centers, and for not  
 8 16 more than the following full-time equivalent positions:  
 8 17 ..... \$ 1,147,192  
 8 18 ..... FTEs 5.80

General Fund appropriation to Iowa State University (ISU) for the Small Business Development Centers.



DETAIL: This is a decrease of \$73,225 and no change in FTE positions compared to the FY 2001 estimated net appropriation due to a general reduction.

8 19 2. For the Iowa state university of science and technology  
8 20 research park, including salaries, support, maintenance,  
8 21 miscellaneous purposes, and for not more than the following  
8 22 full-time equivalent positions:

8 23 ..... \$ 362,155  
8 24 ..... FTEs 4.31

General Fund appropriation to ISU for the Research Park.

DETAIL: This is a decrease of \$23,116 and no change in FTE positions compared to the FY 2001 estimated net appropriation due to a general reduction.

8 25 3. For funding the institute for physical research and  
8 26 technology, provided that \$287,640 shall be allocated to the  
8 27 industrial incentive program, and for not more than the  
8 28 following full-time equivalent positions:

8 29 ..... \$ 4,205,662  
8 30 ..... FTEs 46.42

General Fund appropriation to ISU for the Institute for Physical Research and Technology (IPRT). Requires an allocation of \$287,640 for the Industrial Incentive Program.

DETAIL: This is a decrease of \$268,446 and no change in FTE positions compared to the FY 2001 estimated net appropriation due to a general reduction.

8 31 It is the intent of the general assembly that the  
8 32 industrial incentive program focus on Iowa industrial sectors  
8 33 and seek contributions and in-kind donations from businesses,  
8 34 industrial foundations, and trade associations and that moneys  
8 35 for the institute for physical research and technology  
9 1 industrial incentive program shall only be allocated for  
9 2 projects which are matched by private sector moneys for  
9 3 directed contract research or for nondirected research. The  
9 4 match required of small businesses as defined in section  
9 5 15.102, subsection 4, for directed contract research or for  
9 6 nondirected research shall be \$1 for each \$3 of state funds.  
9 7 The match required for other businesses for directed contract  
9 8 research or for nondirected research shall be \$1 for each \$1  
9 9 of state funds. The match required of industrial foundations  
9 10 or trade associations shall be \$1 for each \$1 of state funds.

Specifies it is the intent of the General Assembly that the Incentive Program focus on Iowa industrial sectors and seek private sector donations. Requires matching funds for participation in the Institute for Physical Research and Technology Incentive Program. The match is \$1.00 for each \$3.00 of State funds for small businesses or \$1.00 for each \$1.00 of State funds for larger businesses, industrial foundations, or trade organizations.

9 11 Iowa state university of science and technology shall  
 9 12 report annually to the joint appropriations subcommittee on  
 9 13 economic development and the legislative fiscal bureau the  
 9 14 total amounts of private contributions, the proportion of  
 9 15 contributions from small businesses and other businesses, and  
 9 16 the proportion for directed contract research and nondirected  
 9 17 research of benefit to Iowa businesses and industrial sectors.

Requires that ISU annually report to the Economic Development Appropriations Subcommittee and the Legislative Fiscal Bureau (LFB) the total amount of private contributions, the proportion from small businesses and other businesses, and the proportion for directed and nondirected research.

9 18 Notwithstanding section 8.33, moneys appropriated in this  
 9 19 section that remain unencumbered or unobligated at the close  
 9 20 of the fiscal year shall not revert but shall remain available  
 9 21 for expenditure for the purposes designated until the close of  
 9 22 the succeeding fiscal year.

CODE: Notwithstands Section 8.33, Code of Iowa, and requires funds remaining unencumbered at the end of any fiscal year from the appropriations to Iowa State University not revert but remain available for expenditure in the following fiscal year.

9 23 Sec. 7. UNIVERSITY OF IOWA. There is appropriated from  
 9 24 the general fund of the state to the state university of Iowa  
 9 25 for the fiscal year beginning July 1, 2001, and ending June  
 9 26 30, 2002, the following amounts, or so much thereof as is  
 9 27 necessary, to be used for the purposes designated:

9 28 1. For the university of Iowa research park, including  
 9 29 salaries, support, maintenance, equipment, miscellaneous  
 9 30 purposes, and for not more than the following full-time  
 9 31 equivalent positions:

9 32 ..... \$ 320,560  
 9 33 ..... FTEs 2.70

General Fund appropriation to the University of Iowa (SUI) for the Research Park.

DETAIL: This is a decrease of \$20,461 and no change in FTE positions compared to the FY 2001 estimated net appropriation due to a general reduction.

9 34 2. For funding the advanced drug development program at  
 9 35 the Oakdale research park, and for not more than the following  
 10 1 full-time equivalent positions:

10 2 ..... \$ 259,262  
 10 3 ..... FTEs 3.30

General Fund appropriation to the SUI for the Advanced Drug Development Program at the Oakdale Research Park.

DETAIL: This is a decrease of \$16,549 and no change in FTE positions compared to the FY 2001 estimated net appropriation due to a general reduction.

10 4 The board of regents shall submit a report on the progress  
 10 5 of regents institutions in meeting the strategic plan for  
 10 6 technology transfer and economic development to the secretary  
 10 7 of the senate, the chief clerk of the house of  
 10 8 representatives, and the legislative fiscal bureau by January  
 10 9 15, 2002.

Requires the Board of Regents submit a report to the General Assembly and the Legislative Fiscal Bureau by January 15, 2002, on the progress of the Regents institutions in meeting the goals, objectives, and strategies of the Strategic Plan for Technology Transfer and Economic Development.

10 10 Sec. 8. UNIVERSITY OF NORTHERN IOWA. There is  
 10 11 appropriated from the general fund of the state to the  
 10 12 university of northern Iowa for the fiscal year beginning July  
 10 13 1, 2001, and ending June 30, 2002, the following amounts, or  
 10 14 so much thereof as is necessary, to be used for the purposes  
 10 15 designated:

10 16 1. For the metal casting institute, including salaries,  
 10 17 support, maintenance, miscellaneous purposes, and for not more  
 10 18 than the following full-time equivalent positions:  
 10 19 ..... \$ 166,249  
 10 20 ..... FTEs 2.50

General Fund appropriation to University of Northern Iowa (UNI) for the Metal Casting Institute.

DETAIL: This is a decrease of \$10,612 and 0.10 FTE position compared to the FY 2001 estimated net appropriation due to a general reduction.

10 21 2. For the institute of decision making, including  
 10 22 salaries, support, maintenance, miscellaneous purposes, and  
 10 23 for not more than the following full-time equivalent  
 10 24 positions:  
 10 25 ..... \$ 711,672  
 10 26 ..... FTEs 8.50

General Fund appropriation to UNI for the Institute for Decision Making.

DETAIL: This is a decrease of \$45,426 and 0.50 FTE position compared to the FY 2001 estimated net appropriation due to a general reduction.

10 27 Sec. 9. DEPARTMENT OF WORKFORCE DEVELOPMENT. There is  
 10 28 appropriated from the general fund of the state, to the  
 10 29 department of workforce development for the fiscal year  
 10 30 beginning July 1, 2001, and ending June 30, 2002, the  
 10 31 following amounts, or so much thereof as is necessary, for the  
 10 32 purposes designated:

10 33 1. DIVISION OF LABOR SERVICES  
 10 34 For the division of labor services, including salaries,  
 10 35 support, maintenance, miscellaneous purposes, and for not more  
 11 1 than the following full-time equivalent positions:  
 11 2 ..... \$ 3,290,446  
 11 3 ..... FTEs 92.00

General Fund appropriation to the Labor Services Division of Iowa Workforce Development (IWD).

DETAIL: This is a decrease of \$210,028 and no change in FTE positions compared to the FY 2001 estimated net appropriation due to a general reduction.

11 4 From the contractor registration fees, the division of  
 11 5 labor services shall reimburse the department of inspections  
 11 6 and appeals for all costs associated with hearings under  
 11 7 chapter 91C, relating to contractor registration.

Requires reimbursement from contractor registration fees to the Employment Appeals Board within the Department of Inspections and Appeals for hearings involving contractor registration.

11 8 2. DIVISION OF WORKERS' COMPENSATION  
 11 9 For salaries, support, maintenance, miscellaneous purposes,  
 11 10 and for not more than the following full-time equivalent  
 11 11 positions:  
 11 12 ..... \$ 2,235,187  
 11 13 ..... FTEs 35.00

General Fund appropriation to the Workers' Compensation Division of IWD.

DETAIL: This is a decrease of \$142,671 and no change in FTE positions compared to the FY 2001 estimated net appropriation due to a general reduction.

11 14 The division of workers' compensation shall continue  
 11 15 charging a \$65 filing fee for workers' compensation cases.  
 11 16 The filing fee shall be paid by the petitioner of a claim.  
 11 17 However, the fee can be taxed as a cost and paid by the losing  
 11 18 party, except in cases where it would impose an undue hardship  
 11 19 or be unjust under the circumstances.

Requires that the Workers' Compensation Division continue to charge a \$65 filing fee for workers' compensation cases. Permits the losing party to be taxed for the fee, unless it would impose an undue hardship or be unjust.

11 20 3. WORKFORCE DEVELOPMENT STATE AND REGIONAL BOARDS  
 11 21 For salaries, support, maintenance, miscellaneous purposes,  
 11 22 and for not more than the following full-time equivalent  
 11 23 positions for the workforce development state and regional  
 11 24 boards:  
 11 25 ..... \$ 118,700  
 11 26 ..... FTEs 1.00

General Fund appropriation for State and regional Workforce Development Boards.

DETAIL: This is a decrease of \$7,577 and no change in FTE positions compared to the FY 2001 estimated net appropriation due to a general reduction.

11 27 4. NEW EMPLOYMENT OPPORTUNITY FUND  
 11 28 For salaries, support, maintenance, and miscellaneous  
 11 29 purposes, and for not more than the following full-time  
 11 30 equivalent positions for the new employment opportunity  
 11 31 program established in section 84A.10:  
 11 32 ..... \$ 251,270  
 11 33 ..... FTEs 0.30

General Fund appropriation to the New Employment Opportunity Fund.

DETAIL: This is a decrease of \$248,730 and no change in FTE positions compared to the FY 2001 estimated net appropriation. It is estimated that \$251,270 of the FY 2001 appropriation will not be expended. With language in Section 18 of this Act allowing this amount to not revert, the total amount available for FY 2002 is estimated to be \$500,000.

11 34 Notwithstanding section 8.33, moneys appropriated in this  
 11 35 subsection which remain unexpended or unobligated on June 30,  
 12 1 2002, shall not revert to the general fund of the state but  
 12 2 shall remain available for expenditure for the same purpose  
 12 3 during the fiscal year beginning July 1, 2002.

CODE: Notwithstands Section 8.33, Code of Iowa, to allow funds appropriated for the New Employment Opportunities Fund in FY 2002 not revert at the end of FY 2002, but be available for expenditure during FY 2003.

12 4 Sec. 10. ADMINISTRATIVE CONTRIBUTION SURCHARGE FUND.  
 12 5 Notwithstanding section 96.7, subsection 12, paragraph "c",  
 12 6 there is appropriated from the administrative contribution  
 12 7 surcharge fund of the state to the department of workforce  
 12 8 development for the fiscal year beginning July 1, 2001, and  
 12 9 ending June 30, 2002, any moneys remaining in the  
 12 10 administrative contribution surcharge fund on June 30, 2001,  
 12 11 and the entire amount collected during the fiscal year  
 12 12 beginning July 1, 2001, and ending June 30, 2002, or so much  
 12 13 thereof as is necessary, for salaries, support, maintenance,  
 12 14 conducting labor market surveys, miscellaneous purposes, and  
 12 15 for workforce development regional advisory board member  
 12 16 expenses.

Administrative Contribution Surcharge Fund appropriation to Iowa Workforce Development.

CODE: Notwithstands Section 96.7(12)(c), Code of Iowa, which restricts the use of moneys in the Administrative Contribution Surcharge Fund.

DETAIL: Appropriates to IWD the amount that remains in the fund at the end of FY 2001 and the amount collected by the administrative contribution surcharge during FY 2002. The FY 2001 estimated net appropriation was \$7,500,000 and 87.32 FTE positions. The General Assembly passed HF 696 (Administrative Contribution Surcharge Act) which extended the Surcharge for two years and required the Department to develop a formula to collect revenues of \$6,525,000 annually. Due to timing and cash flow, the Surcharge is projected to generate revenues of \$6,550,000 in FY 2002 and \$6,525,000 in FY 2003. This is a projected decrease in revenues of \$950,000 compared to the FY 2001 estimated net appropriation. These revenues and FTE positions are shown with HF 696. In addition to the revenues collected from the Surcharge, IWD anticipates a balance carried forward from

FY 2001 to FY 2002 in excess of \$1,000,000. This will result in the available funding for FY 2002 being comparable to FY 2001, and there will be no change in FTE positions compared to the FY 2001 staffing level.

12 17 Sec. 11. EMPLOYMENT SECURITY CONTINGENCY FUND. There is  
 12 18 appropriated from the special employment security contingency  
 12 19 fund to the department of workforce development for the fiscal  
 12 20 year beginning July 1, 2001, and ending June 30, 2002, the  
 12 21 following amounts, or so much thereof as is necessary, for the  
 12 22 purposes designated:

Appropriating language from the Employment Security Contingency Fund. This Fund is commonly referred to as the Penalty and Interest Fund.

12 23 1. DIVISION OF WORKERS' COMPENSATION  
 12 24 For salaries, support, maintenance, and miscellaneous  
 12 25 purposes:  
 12 26 ..... \$ 471,000

Penalty and Interest Fund appropriation to the Workers' Compensation Division.

DETAIL: Maintains current level of funding. These funds are appropriated in addition to the General Fund appropriation to the Division. (See Section 9.2 of this Act.)

12 27 2. IMMIGRATION SERVICE CENTERS  
 12 28 For salaries, support, maintenance, and miscellaneous  
 12 29 purposes for the establishment of pilot immigration service  
 12 30 centers:  
 12 31 ..... \$ 160,000

Penalty and Interest Fund appropriation for Immigration Services Centers.

DETAIL: Maintains current level of funding.

12 32 3. LABOR MARKET INFORMATION  
 12 33 For salaries, support, maintenance, miscellaneous purposes  
 12 34 for collection of labor market information, and for not more  
 12 35 than the following full-time equivalent positions:  
 13 1 ..... \$ 67,078  
 13 2 ..... FTEs 1.20

Penalty and Interest Fund appropriation for Local Area Unemployment Statistics and Occupational Employment Statistics.

DETAIL: Maintains current level of funding and staffing. This does change the source of the funding from the General Fund to the Penalty and Interest Fund.

13 3 The department of workforce development shall maintain  
 13 4 pilot immigration service centers that offer one-stop services  
 13 5 to deal with the multiple issues related to immigration and  
 13 6 employment. The pilot centers shall be designed to support  
 13 7 workers, businesses, and communities with information,  
 13 8 referrals, job placement assistance, translation, language  
 13 9 training, resettlement, as well as technical and legal  
 13 10 assistance on such issues as forms and documentation. Through  
 13 11 the coordination of local, state, and federal service  
 13 12 providers, and through the development of partnerships with  
 13 13 public, private, and nonprofit entities with established  
 13 14 records of international service, these pilot centers shall  
 13 15 seek to provide a seamless service delivery system for new  
 13 16 lowans.

Requires that IWD maintain pilot Immigration Service Centers.  
 Requires that Immigration Service Centers offer one-stop services to  
 workers, businesses, and communities. Requires seamless service  
 delivery through government coordination and cooperation with public,  
 private, and nonprofit entities.

13 17 Any additional penalty and interest revenue may be used to  
 13 18 accomplish the mission of the department upon notification of  
 13 19 the use to the chairpersons and ranking members of the joint  
 13 20 appropriations subcommittee on economic development, the  
 13 21 department of management, and the legislative fiscal bureau.  
 13 22 [However, the department shall not allocate any additional  
 13 23 penalty and interest revenue prior to January 30, 2002.]

**VETOED**

Permits any additional penalty and interest revenues to be used as  
 needed by the Department upon notification of the Chairpersons and  
 Ranking Members of the Economic Development Appropriations  
 Subcommittee, the Department of Management, and the Legislative  
 Fiscal Bureau. Prohibits the Department from allocating additional  
 penalty and interest revenue prior to January 30, 2002.

VETOED: The Governor vetoed the last sentence of this section  
 stating that the requirement is unduly prescriptive, usurps normal  
 executive branch functions, and could hamper administration of the  
 funds. The same language was vetoed from last year's appropriation  
 act.

13 24 Sec. 12. PUBLIC EMPLOYMENT RELATIONS BOARD. There is  
 13 25 appropriated from the general fund of the state to the public  
 13 26 employment relations board for the fiscal year beginning July  
 13 27 1, 2001, and ending June 30, 2002, the following amount, or so  
 13 28 much thereof as is necessary, for the purposes designated:  
 13 29 For salaries, support, maintenance, miscellaneous purposes,  
 13 30 and for not more than the following full-time equivalent  
 13 31 positions:  
 13 32 ..... \$ 857,489

General Fund appropriation to the Public Employment Relations  
 Board.

DETAIL: This is a decrease of \$54,733 and an increase of 0.80 FTE  
 position compared to the FY 2001 estimated net appropriation due to a  
 general reduction.

13 33 ..... FTEs 12.80

13 34 Sec. 13. TOURISM OPERATIONS. There is appropriated from  
 13 35 the community attraction and tourism fund created in section  
 14 1 15F.204 to the department of economic development for the  
 14 2 fiscal year beginning July 1, 2001, and ending June 30, 2002,  
 14 3 the following amount, or so much thereof as is necessary, to  
 14 4 be used for the purposes designated:  
 14 5 For tourism operations, including salaries, support,  
 14 6 maintenance, and miscellaneous purposes:  
 14 7 ..... \$ 1,200,000

Community Attraction and Tourism Fund appropriation to the DED for Tourism operations and advertising.

DETAIL: This continues funding for tourism advertising from the Community Attraction and Tourism Fund at the same level as the FY 2001 estimated net appropriation. During the 2000 Legislative Session, the General Assembly eliminated language from the FY 2001 appropriation that permitted the DED to use \$1,200,000 from this Fund for advertising. This language reinstates funding from this source for tourism advertising.

14 8 [Sec. 14. HOUSING AND SHELTER ASSISTANCE. There is  
 14 9 appropriated from the Iowa finance authority to the department  
 14 10 of economic development for the fiscal year beginning July 1,  
 14 11 2001, and ending June 30, 2002, the following amount, or so  
 14 12 much thereof as is necessary, to be used for the purposes  
 14 13 designated:  
 14 14 For providing technical assistance to communities of all  
 14 15 sizes and local financial institutions to help meet local  
 14 16 housing needs and for the shelter assistance fund, and for not  
 14 17 more than the following full-time equivalent positions:  
 14 18 ..... \$ 500,000  
 14 19 ..... FTEs 2.00]

**VETOED**

Iowa Finance Authority appropriation for housing development and the Shelter Assistance Fund of the DED.

DETAIL: This maintains the current level of funding and staffing. In FY 2001, the Program received an appropriation from the General Fund. For FY 2002, the funding is appropriated from the Iowa Finance Authority.

VETOED: The Governor vetoed this section stating that it poses a financial risk for the Iowa Finance Authority. The Governor commented, "Moody's Rating Service has indicated that such actions will lead to a bond rating downgrade. A lower bond rating will increase borrowing costs resulting in increased costs for first time homebuyers. It is more appropriate for the Authority to leverage their assets to address Iowa's housing needs as recommended by the housing task force."

14 20 [Sec. 15. Notwithstanding the requirements of section  
 14 21 16.10, subsections 1 and 2, the Iowa finance authority shall,  
 14 22 for the fiscal year beginning July 1, 2001, transfer  
 14 23 \$1,200,000 to the department of economic development for  
 14 24 deposit in the community development block grant account to be  
 14 25 used as state matching funds for the federal HOME program.]

**VETOED**

CODE: Notwithstanding Section 16.10(1 and 2), Code of Iowa, and requires the Iowa Finance Authority to transfer \$1,200,000 to the DED for the programs funded in Section 14 of this Act.

DETAIL: Maintains current level of funding.



VETOED: The Governor vetoed this section stating that it poses a financial risk for the Iowa Finance Authority. The Governor commented, "Moody's Rating Service has indicated that such actions will lead to a bond rating downgrade. A lower bond rating will increase borrowing costs resulting in increased costs for first time homebuyers. It is more appropriate for the Authority to leverage their assets to address Iowa's housing needs as recommended by the housing task force."

14 26 Sec. 16. 1998 Iowa Acts, chapter 1225, section 27,  
14 27 unnumbered paragraph 6, is amended to read as follows:  
14 28 Following the complete liquidation and dissolution of the  
14 29 corporation or the sale of the corporation, all remaining  
14 30 moneys shall be transferred to the strategic investment fund.  
14 31 The liquidation, dissolution, or sale of the corporation shall  
14 32 be completed by December 31, 2001. Upon transfer of the  
14 33 remaining moneys to the strategic investment fund, the ISCC  
14 34 liquidation corporation board shall be dissolved.

CODE: Amends Chapter 1225.27, 1998 Iowa Acts, to require the liquidation of the Iowa Seed Capital Corporation to be completed by December 31, 2001.

14 35 Sec. 17. 1999 Iowa Acts, chapter 197, section 9,  
15 1 subsection 7, unnumbered paragraph 2, is amended to read as  
15 2 follows:  
15 3 Notwithstanding section 8.33, moneys appropriated in this  
15 4 subsection which remain unexpended or unobligated on June 30,  
15 5 2000, shall not revert to the general fund of the state but  
15 6 shall remain available for expenditure for the same purpose  
15 7 during the fiscal ~~year~~ years beginning July 1, 2000, and July  
15 8 1, 2001.

CODE: Amends 1999 Iowa Acts to allow funds appropriated for the Welfare to Work Program in FY 2000 not revert at the end of FY 2000 or FY 2001, but be available for expenditure during FY 2002.

15 9 Sec. 18. 2000 Iowa Acts, chapter 1230, section 10,  
15 10 subsection 7, is amended to read as follows:  
15 11 7. NEW EMPLOYMENT OPPORTUNITY FUND  
15 12 For salaries, support, maintenance, and miscellaneous  
15 13 purposes, and for not more than the following full-time  
15 14 equivalent positions for the new employment opportunity

CODE: Amends 2000 Iowa Acts to allow funds appropriated for the New Employment Opportunity Fund in FY 2001 not revert at the end of FY 2001, but be available for expenditure during FY 2002.

15 15 program established in section 84A.10:  
15 16 ..... \$ 500,000  
15 17 ..... FTEs 1.79  
15 18 Notwithstanding section 8.33, moneys appropriated in this  
15 19 subsection which remain unexpended or unobligated on June 30,  
15 20 2001, shall not revert to the general fund but shall remain  
15 21 available for expenditure for the same purpose during the  
15 22 fiscal year beginning July 1, 2001.

15 23 Sec. 19. 2000 Iowa Acts, chapter 1230, section 11,  
15 24 unnumbered paragraph 3, is amended to read as follows:  
15 25 In addition to moneys appropriated by this section,  
15 26 notwithstanding section 96.7, subsection 12, paragraph "c",  
15 27 for the fiscal year beginning July 1, 2000, there is  
15 28 appropriated from the administrative contribution surcharge  
15 29 fund of the state to the department of workforce development  
15 30 \$700,000, or so much thereof as is necessary, for matching  
15 31 funds for welfare-to-work grants authorized through the United  
15 32 States department of labor. Notwithstanding section 8.33,  
15 33 moneys appropriated in this unnumbered paragraph that remain  
15 34 unencumbered or unobligated on June 30, 2001, shall not revert  
15 35 but shall remain available for expenditure for the purposes  
16 1 designated for the fiscal year beginning July 1, 2001.

CODE: Amends 2000 Iowa Acts to allow funds appropriated from the Administration Contribution Surcharge Fund for the Welfare to Work Fund in FY 2001 not revert at the end of FY 2001, but be available for expenditure during FY 2002.

16 2 Sec. 20. 2000 Iowa Acts, chapter 1230, section 12,  
16 3 subsection 2, is amended to read as follows:  
16 4 2. IMMIGRATION SERVICE CENTERS  
16 5 For salaries, support, maintenance, and miscellaneous  
16 6 purposes for the establishment of pilot immigration service  
16 7 centers:  
16 8 ..... \$ 160,000  
16 9 The department of workforce development shall establish  
16 10 pilot immigration service centers that offer one-stop services  
16 11 to deal with the multiple issues related to immigration and  
16 12 employment. The pilot centers shall be designed to support  
16 13 workers, businesses, and communities with information,  
16 14 referrals, job placement assistance, translation, language

CODE: Amends 2000 Iowa Acts to allow funds appropriated from the Penalty and Interest Fund for the Immigration Service Centers in FY 2001 not revert at the end of FY 2001, but be available for expenditure during FY 2002.

16 15 training, resettlement, as well as technical and legal  
16 16 assistance on such issues as forms and documentation. Through  
16 17 the coordination of local, state, and federal service  
16 18 providers, and through the development of partnerships with  
16 19 public, private, and nonprofit entities with established  
16 20 records of international service, these pilot centers shall  
16 21 seek to provide a seamless service delivery system for new  
16 22 lowans.

16 23 Notwithstanding section 8.33, moneys appropriated in this  
16 24 subsection which remain unexpended or unobligated on June 30,  
16 25 2001, shall not revert but shall remain available for  
16 26 expenditure for the same purpose during the fiscal year  
16 27 beginning July 1, 2001.

16 28 Sec. 21. Section 15.342A, Code 2001, is amended to read as  
16 29 follows:

16 30 15.342A WORKFORCE DEVELOPMENT FUND ACCOUNT.

16 31 A workforce development fund account is established in the  
16 32 office of the treasurer of state under the control of the  
16 33 department. The account shall receive funds pursuant to  
16 34 section 422.16A up to a maximum of ~~eight~~ four million dollars  
16 35 per year. The account shall also receive funds pursuant to  
17 1 section 15.251 with no dollar limitation.

CODE: Amends Section 15.342A, Code of Iowa, and reduces the cap on the Workforce Development Fund Account from \$8,000,000 to \$4,000,000. The Fund receives revenues from income tax diversions and provides support for workforce training programs under Chapter 260F, Code of Iowa, and for program administration.

FISCAL IMPACT: This action will increase General Fund receipts by \$4,000,000 per year.

17 2 Sec. 22. Section 15.343, subsection 3, paragraph b, Code  
17 3 2001, is amended by striking the paragraph and inserting in  
17 4 lieu thereof the following:

17 5 b. Moneys in the workforce development fund shall be  
17 6 allocated as follows:

17 7 (1) Three million dollars shall be used for purposes  
17 8 provided in section 260F.6.

17 9 (2) One million dollars shall be used for purposes  
17 10 provided in section 260F.6B.

CODE: Amends Section 15.343(3)(b), Code of Iowa, to change the Workforce Development Fund allocation for workforce training programs. The specific allocations are \$3,000,000 to the community colleges for business training programs and \$1,000,000 for the High Technology Apprenticeship Program offered by the community colleges.

17 11 Sec. 23. Section 90A.12, subsection 1, Code 2001, is  
17 12 amended to read as follows:

17 13 1. A person ~~age thirty-three years or older~~ shall not  
17 14 participate as a contestant in an organized amateur boxing  
17 15 contest unless each contestant participating in the contest ~~is~~  
17 16 ~~age thirty-three years or older~~ meets the age requirements of  
17 17 USA boxing incorporated, or its successor organization. A  
17 18 birth certificate, or similar document validating the  
17 19 contestant's date of birth, must be submitted at the time of  
17 20 the prefight physical examination in order to determine  
17 21 eligibility.

CODE: Amends Section 90A.12(1), Code of Iowa, by striking the maximum age limitation for amateur boxers and requires boxing contestants to meet the requirements of USA Boxing Incorporated or its successor.

17 22 Sec. 24. Section 260F.6, Code 2001, is amended by adding  
17 23 the following new subsection:  
17 24 NEW SUBSECTION. 3. Notwithstanding the requirements of  
17 25 this section, moneys in the job training fund may be used by a  
17 26 community college to conduct entrepreneur development and  
17 27 support activities.

CODE: Amends 260F.6(3), Code of Iowa, to permit community colleges to use Workforce Development Funds for entrepreneur development and support activities.

17 28 Sec. 25. Section 321.52A, subsection 2, Code 2001, is  
17 29 amended to read as follows:

17 30 2. For the fiscal year beginning July 1, 1996, the  
17 31 treasurer of state shall deposit one million five hundred  
17 32 thousand dollars of moneys received under subsection 1 in the  
17 33 waste tire management fund created in section 455D.11C, and  
17 34 deposit the remainder in the general fund of the state. For  
17 35 the fiscal year beginning July 1, 1997, the treasurer of state  
18 1 shall deposit two million five hundred thousand dollars of  
18 2 moneys received under subsection 1 in the waste tire  
18 3 management fund, and deposit the remainder in the general fund  
18 4 of the state. For the fiscal year beginning July 1, 1998, and  
18 5 the fiscal year beginning July 1, 1999, the treasurer of state  
18 6 shall deposit three million five hundred thousand dollars of  
18 7 moneys received under subsection 1 in the waste tire  
18 8 management fund, and deposit the remainder in the general fund  
18 9 of the state. For the fiscal year beginning July 1, 2000, the

CODE: Amends Section 321.52A(2), Code of Iowa, to eliminate the transfer of \$3,000,000 in FY 2002 from the Waste Tire Management Fund to the Road Use Tax Fund and deposits the money in the General Fund.

DETAIL: Section 1.2(e) of the Act appropriates \$2,850,000 from the General Fund for the Value-Added Agricultural Products and Processes Financial Assistance Fund.

18 10 treasurer of state shall deposit two million five hundred  
18 11 thousand dollars of the moneys received under subsection 1 in  
18 12 the waste tire management fund, and one million dollars in the  
18 13 road use tax fund, with the remainder deposited in the general  
18 14 fund of the state. For the fiscal year beginning July 1,  
18 15 2001, the treasurer of state shall deposit one million five  
18 16 hundred thousand dollars of moneys received under subsection 1  
18 17 in the waste tire management fund, ~~and three million dollars~~  
18 18 ~~in the road use tax fund~~, with the remainder deposited in the  
18 19 general fund of the state. For the fiscal year beginning July  
18 20 1, 2002, and each subsequent fiscal year, the treasurer of  
18 21 state shall deposit the entire amount of moneys received under  
18 22 subsection 1 in the road use tax fund.

18 23 Sec. 26. Section 422.16A, Code 2001, is amended to read as  
18 24 follows:  
18 25 422.16A JOB TRAINING WITHHOLDING — CERTIFICATION AND  
18 26 TRANSFER.

18 27 Upon the completion by a business of its repayment  
18 28 obligation for a training project funded under chapter 260E,  
18 29 including a job training project funded under section 15A.8 or  
18 30 repaid in whole or in part by the supplemental new jobs credit  
18 31 from withholding under section 15A.7 or section 15.331, the  
18 32 sponsoring community college shall report to the department of  
18 33 economic development the amount of withholding paid by the  
18 34 business to the community college during the final twelve  
18 35 months of withholding payments. The department of economic  
19 1 development shall notify the department of revenue and finance  
19 2 of that amount. The department shall credit to the workforce  
19 3 development fund account established in section 15.342A  
19 4 twenty-five percent of that amount each quarter for a period  
19 5 of ten years. If the amount of withholding from the business  
19 6 or employer is insufficient, the department shall prorate the  
19 7 quarterly amount credited to the workforce development fund  
19 8 account. The maximum amount from all employers which shall be  
19 9 transferred to the workforce development fund account in any  
19 10 year is ~~eight~~ four million dollars.

CODE: Amends Section 422.16A, Code of Iowa, and reduces the cap  
on the Workforce Development Fund Account from \$8,000,000 to  
\$4,000,000.

19 11 Sec. 27. SHELTER ASSISTANCE FUND. In providing moneys  
19 12 from the shelter assistance fund to homeless shelter programs  
19 13 in the fiscal year beginning July 1, 2001, and ending June 30,  
19 14 2002, the department of economic development shall explore the  
19 15 potential of allocating moneys to homeless shelter programs  
19 16 based in part on their ability to move their clients toward  
19 17 self-sufficiency.

Requires the DED to explore allocating Shelter Assistance Funds to homeless shelters based in part on the shelter's ability to move clients toward self-sufficiency.

19 18 Sec. 28. BUDGET PROPOSALS. The department of economic  
19 19 development and the department of workforce development shall  
19 20 submit all budget proposals in the traditional format as well  
19 21 as in the budgeting for results format for the fiscal year  
19 22 beginning July 1, 2002.

Requires that the Departments of Economic Development and Workforce Development submit budget requests in the traditional and Budgeting for Results formats for the fiscal year beginning July 1, 2002.

19 23 Sec. 29. By December 31 of each year, the ISCC liquidation  
19 24 corporation shall submit an annual written report to the  
19 25 chairpersons and the ranking members of the joint  
19 26 appropriations subcommittee on economic development. The  
19 27 report shall include an update on the financial condition of  
19 28 the corporation relating to the status of any moneys, assets,  
19 29 or contracts currently being held by the corporation or  
19 30 transferred by the corporation during the prior year.

Requires the Iowa Seed Capital Liquidation Corporation to report annually to the Chairpersons and Ranking Members of the Economic Development Appropriations Subcommittee. Specifies content of the report.

19 31 Sec. 30. FEDERAL GRANTS. All federal grants to and the  
19 32 federal receipts of agencies appropriated funds under this  
19 33 Act, not otherwise appropriated, are appropriated for the  
19 34 purposes set forth in the federal grants or receipts unless  
19 35 otherwise provided by the general assembly.

Requires all federal funds received by regulatory agencies in this Act, and not otherwise appropriated, to be used for the purposes set forth under federal funding requirements.

20 1 Sec. 31. Notwithstanding section 96.9, subsection 4,  
20 2 paragraph "a", moneys credited to the state by the secretary  
20 3 of the treasury of the United States pursuant to section 903  
20 4 of the Social Security Act shall be appropriated to the  
20 5 department of workforce development and shall be used by the  
20 6 department for the administration of the unemployment  
20 7 compensation program only. This appropriation shall not apply  
20 8 to any fiscal year after December 31, 2002.

CODE: Notwithstands Section 96.9(4)(a), Code of Iowa, relating to allowed expenditures from monies credited to the State under Section 903 of the federal Social Security Act. Restricts use of certain federal funds to comply with federal law.

20 9 Sec. 32. In lieu of the appropriation made in section  
20 10 15.365, subsection 3, there is appropriated for the fiscal  
20 11 year beginning July 1, 2001, and ending June 30, 2002,  
20 12 \$35,000, or so much thereof as is necessary, from the general  
20 13 fund of the state to the department of economic development to  
20 14 pay refunds as provided under section 15.365.

CODE: General Fund appropriation of \$35,000 to the School-to-Career Program for FY 2002. The appropriation is made in lieu of the \$500,000 standing appropriation in Section 15.365(3), Code of Iowa.

DETAIL: The original FY 2001 appropriation of \$100,000 was deappropriated in FY 2001 due to a lack of program participation. With legislative changes to the program requirements, the Department of Management projects the funding will be adequate for FY 2002.

20 15 Sec. 33. EFFECTIVE DATE. Sections 17, 18, 19, and 20 of  
20 16 this Act, being deemed of immediate importance, take effect  
20 17 upon enactment.

Provides that Section 17, relating to the Welfare to Work Program, Section 18, relating to the New Employment Opportunity Fund, Section 19, relating to the Administration Contribution Surcharge Fund, and Section 20, relating to the Immigration Service Centers, are effective upon enactment.

20 18 HF 718  
20 19 tm/es/25